



Department of Energy

Washington, DC 20585

March 21, 2003

MEMORANDUM FOR UNDER SECRETARY FOR NUCLEAR
SECURITY/ADMINISTRATOR FOR NATIONAL
NUCLEAR SECURITY
UNDER SECRETARY FOR ENERGY, SCIENCE AND
ENVIRONMENT

FROM:


BRUCE M. CARNES
DIRECTOR, OFFICE OF MANAGEMENT, BUDGET AND
EVALUATION/CFO

SUBJECT: FY 2005 Field Budget Call

This memorandum transmits guidance to prepare the Department's FY 2005 field budget request and supporting documentation. A calendar with deliverable due dates is attached for your information. The guidance has been updated to reflect new and revised requirements. The most significant changes for FY 2005 are summarized below:

Information on Financial Management (Exhibit 52) -- The guidance includes the most current format for preparing the Report on Resources for Financial Management Activities as prescribed by Office of Management and Budget (OMB) Circular A-11, section 52.

Planning for Capital Assets (Exhibit 300) -- The guidance includes the most current instructions and format for preparing the Capital Asset Plan and Business Case (required for Information Technology (IT) and non-IT capital assets) as prescribed by OMB Circular A-11, section 300.

ES&H Crosscut -- The guidance for the ES&H crosscut has been substantially reduced from previous years. Information will still be required to report the Department's ES&H compliance liability activities in the audited financial statements.

Integrated Facilities and Infrastructure Crosscut -- The instructions and crosscut have been revised in order to gather the data necessary for two reports submitted annually to Congress.

Isotope Program -- The format and data requirements have changed slightly for reporting isotope data.

Motor Vehicle Statement -- This information will be collected out of cycle by the Office of Resource Management, Personal Property Division (ME-632).



Applicability -- NNSA will be disseminating separate budget guidance to their field elements. For non-NNSA activities that are located at sites for which NNSA is the LPSO, budget materials should be submitted directly to the Headquarters program office--do not submit to the NNSA Service Center.

Questions concerning budget materials should be referred to Janis Greene (ME-32) on 202-586-7916.

Attachments

cc:

- Assistant Secretary, Energy Efficiency and Renewable Energy
- Assistant Secretary, Environmental Management
- Assistant Secretary for Fossil Energy
- Assistant Secretary for Environment, Safety & Health
- Director, Office of Nuclear Energy, Science and Technology
- Director, Office of Civilian Radioactive Waste Management
- Director, Office of Science
- Administrator, Bonneville Power Administration
- Administrator, Southeastern Power Administration
- Administrator, Southwestern Power Administration
- Administrator, Western Area Power Administration
- Chicago Operations Office (CH)
- Idaho Operations Office (ID)
- Golden Field Office (GO)
- Oak Ridge Operations Office (OR)
- Richland Operations Office (RL)
- Savannah River Operations Office (SR)
- Ohio Field Office (OH)
- Rocky Flats Field Office (RF)
- Carlsbad Field Office (WIPP)
- Lawrence Berkley Site Office
- Stanford Linear Accelerator Site Office
- Strategic Petroleum Reserve Project Management Office
- Yucca Mountain Site Characterization Office (YMSCO)
- Sam Baldwin (EE)
- Eli Bronstein (EM)
- Charles Roy (FE)
- Syed Bokhari (RW)
- Ralph DeLorenzo (SC)
- Roger Seifert (BPA)
- John Worthington (SEPA, SWPA)
- Jack Dodd (WAPA)

**DEPARTMENT OF ENERGY
FY 2005 FIELD BUDGET CALL**

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**Department of Energy
FY 2005 FIELD BUDGET CALL**

CALENDAR

February 3	FY 2004 Budget submitted to Congress
March 21	FY 2005 Field Budget Call issued
April 25	FY 2005 Primary Budget Justifications and Project Data Sheets due to Headquarters
May 2	FY 2005 Supplementary and Crosscut budget materials (including Exhibit 300s) due to Headquarters (see Attachment C)

***Please refer to Attachment C - Submission Checklist, Attachment D - General & Supplemental Guidance, and the Field Section of the DOE Budget Formulation Handbook (available at <http://www.mbe.doe.gov/budget/>) to determine specific reporting requirements. Questions should be directed to the person listed in the Point of Contact matrix contained in the front of the Budget Handbook.**

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SUBMISSION CHECKLIST

<u>EXHIBIT</u>	<u>HANDBOOK REFERENCE</u>	<u>DUE DATE</u>
Primary Budget Materials:		
Program Direction (Federal FTEs Only)	Chapter II, section 2	April 25
Field Work Proposals	Chapter II, section 3	April 25
Project Data Sheets	Chapter II, section 4	April 25
Supplementary Budget Materials:		
Reimbursable Work	Chapter III, section 3	May 2
Cost of Work for Others	Chapter III, section 4	May 2
Aircraft Statement	Chapter III, section 5	May 2
Surplus Facilities Management	Chapter III, section 6	May 2
Isotopes Inventory Transactions	Chapter III, section 7	May 2
Capital Asset Plans and Business Case (Exhibit 300)	Chapter III, section 8	May 2
IT Capital Asset Plans and Business Case (Ex. 300)	Chapter III, section 8	May 2
Financial Management Activities (Exhibit 52)	Chapter III, section 9	May 2
Minority Educational Institutions	Chapter III, section 12	May 2
Crosscut Requirements:		
Environment, Safety and Health	Chapter IV, section 1	May 2
Information Technology and E-Government (Ex. 53)	Chapter IV, section 2	May 2
Integrated Facilities and Infrastructure	Chapter IV, section 3	May 2

**Department of Energy
FY 2005 FIELD BUDGET CALL**

GENERAL AND SUPPLEMENTAL GUIDANCE

This attachment provides both general and supplemental budget guidance for preparing FY 2005 field budget materials. Since there have been some changes to this year's guidance, this attachment and the updates to the field section of the DOE Budget Formulation Handbook (Attachment E) should be carefully reviewed to determine the exact reporting requirements for your organization. Each section of this attachment and the handbook includes a point of contact that is available to answer questions and assist you in preparing your budget materials.

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** These items contain new or revised reporting requirements for the FY 2005 Field Budget Call.*

GENERAL GUIDANCE

Economic Assumptions*

Field Elements are to develop budget estimates for operating expense activities and federal personnel costs using the OMB prescribed inflation rates. The table below reflects the latest rates, which should be used in preparing budget requests.

Baseline Adjustment Factors for Personnel/Pay Related and Nonpay Costs As of December 2, 2002

Fiscal Year	Nonpay Costs	Pay and Personnel-Related Costs
2004	1.015	1.048
2005	1.015	1.040
2006	1.016	1.040
2007	1.017	1.040
2008	1.018	1.040
2009	1.018	1.040

Effective Date	Civilian Pay Raise (%)
2004	2.4

OMB has not provided pay raise assumptions beyond FY 2004. In the absence of these rates, use the FY 2004 rate of 2.4% in subsequent years.

Construction project escalation rates are provided below. These rates should be used in any new project estimate or estimate update. Questions on inflation rates for construction projects should be directed to David Treacy (ME-90) at (202) 586-3151.

* *These items contain new or revised reporting requirements for the FY 2005 Field Budget Call*

**Escalation Rate Assumptions
For DOE Projects
(January 2003)**

FY	Project Categories *									
	Construction		EM		IT		O&M		R&D	
2002	1.000	N/A	1.000	N/A	1.000	N/A	1.000	N/A	1.000	N/A
2003	1.021	2.1%	1.020	2.0%	1.008	0.8%	1.018	1.8%	1.023	2.3%
2004	1.046	2.5%	1.047	2.7%	1.017	0.9%	1.045	2.6%	1.051	2.8%
2005	1.076	2.9%	1.075	2.7%	1.022	0.5%	1.073	2.7%	1.080	2.7%
2006	1.106	2.8%	1.103	2.6%	1.032	1.0%	1.101	2.6%	1.108	2.6%
2007	1.135	2.6%	1.130	2.4%	1.041	0.8%	1.127	2.4%	1.136	2.5%
2008	1.164	2.6%	1.157	2.4%	1.049	0.8%	1.154	2.4%	1.164	2.5%

These Rates are based on Material and Labor data contained in the Energy Supply Model, provided by DRI-WEFA (now Global Insight), in January 2002. Locally obtained rates, different from those above, may be used. Additional advice and assistance can be obtained from OECM. Points of Contact: T. Ross Hallman, National Energy Technology Laboratory (NETL), 304-285-4837 or Terry Brennan, NETL, 412-386-5989.

* Note that Project Categories are aligned with those Project Categories in the Project Assessment and Reporting System (PARS), which are included as follows:

Construction:

Vertical: Examples: General Building Construction, Administration Buildings, Lab Facilities.

Horizontal: Railroads, Road Work, Bridges, Tunneling, Site Improvements, Site Utilities, Dams / Waterways

Facilities / Infrastructure: Chemical Plants, Vitrification Plants, Process Plants, Incinerators, Accelerators, One-of-a-Kind Facilities, and Modifications.

Environmental Management:

Restoration: Groundwater Remediation, Soils Remediation

D&D/d&d: Reactors, Process Facilities, Administration Facilities, Medical Facilities, Laboratory Facilities, Security Facilities

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Information Technology: (New category)

Information Technology and Systems: Hardware, Software, Modeling/
Simulation

Operations and Maintenance:

Laboratory Operation and Maintenance: Equipment Replacement, System
Maintenance, HEPA Maintenance, Equipment Maintenance

Production Operation and Maintenance: Chemical Processing, Vitrification
Operations, Waste Management, Manufacturing

Other Operation and Maintenance: Maintenance Work, Roof Replacement,
Building Systems, Landlord Activities, Hotel Load Maintenance.

Research and Development:

Research and Development: Fossil Energy, Energy Research, Solar Energy,
Alternative Energy Sources

Applied Science: Medical, Basic Science

Nuclear Research: Weapons Production, Security Infrastructure, Weapons
Simulation, Nuclear Energy

Reference to Fiscal Years in Budget Schedules

The Field Section of the DOE Budget Formulation Handbook contains the standard reporting schedules used to prepare field budget submissions. These schedules are not specific to any given fiscal year guidance and examples use a FYPY, FYCY, FYBY convention. For the FY 2005 Field Budget Call, the following fiscal years should be used in place of the fiscal year conventions:

Budget Year plus 4	FYBY + 4	FY 2009
Budget Year plus 3	FYBY + 3	FY 2008
Budget Year plus 2	FYBY + 2	FY 2007
Budget Year plus 1	FYBY + 1	FY 2006
Budget Year	FYBY	FY 2005
Current Year	FYCY	FY 2004
Prior Year	FYPY	FY 2003
Prior Year minus one	FYPY-1	FY 2002

DOE Budget Formulation Handbook (Field Section)

The Field Section of the DOE Budget Formulation Handbook should be used as a reference document for developing budget materials consistent with policies established in DOE Budget Formulation Order 130.1. The entire Budget Handbook, including the Field Section may be accessed at the DOE Office of Budget homepage at www.mbe.doe.gov/budget.

** These items contain new or revised reporting requirements for the FY 2005 Field Budget Call*

Explanation of Change

As a reminder, all budget materials reflecting changes in cost must include detail narrative explanations. This includes changes associated with ongoing activities as well as new starts and decreases. These explanations are essential for evaluating budget estimates and understanding the impact of DOE Order requirements. Questions related to explanation of changes should be directed to Roy Craig (ME-32) on (202) 586-3455.

Submission Requirements*

All field elements (as designated by their respective Lead Program Secretarial Officers) must submit their budget materials to the funding Headquarters organization through the appropriate field management structure, if applicable.

- Program-specific budget materials should be submitted to the relevant Headquarters program organization.
- *Project Data Sheets: Three hard copies and an electronic copy should be submitted to the funding Headquarters organization; and one hard copy and an electronic copy should be submitted to the Office of Engineering and Construction Management (ME-90).
- *One hard copy and an electronic copy of all non-IT related capital asset plans (Exhibit 300s) should be submitted to ME-90. (Conceptual Design Reports (CDRs), site maps showing the location of each project, and a five-year construction plan should be included with data sheet submissions, if specifically required.)
- One copy of all budget materials should be sent to the Budget Analysis Division, Office of Budget (ME-31) and an additional copy to the Office of Program Analysis and Evaluation (ME-20).
- *Supplementary and crosscutting materials should be submitted to the Headquarters staff organization requiring the report.

As noted in Attachment C, primary budget materials, including program direction information, project data sheets, field work proposals, and activity data sheets are due April 25. All remaining field budget materials are due May 2. Questions concerning the submission dates should be directed to Roy Craig (ME-32) at (202) 586-3455.

SUPPLEMENTAL GUIDANCE

Budget Validation

Oversight of contractor budget formulation through budget reviews/validations helps the Department ensure the quality of its budgets, in terms of both requested program and related cost estimates. The level of our success is captured in a performance measure in the Department's Performance-Based Oversight Process. The goal is "to validate 100 percent of major facilities management contractors' (M&O, M&IE, ERMC, etc.) field

** These items contain new or revised reporting requirements for the FY 2005 Field Budget Call*

budget requests over a five year period (a minimum of 20 percent each fiscal year), through bottoms-up validation reviews.” For further guidance, refer to Chapter I of the Field Section of the Budget Formulation Handbook.

Project Validations*

Capital Asset Projects will be reviewed during the Corporate Review Budget process. The primary document used for this review will be the Capital Asset Plan and Business Case (OMB Exhibit 300). The review will focus on 1) Budget request alignment with the acquisition process; 2) Planning maturity in alternatives, acquisition strategy, risk and other areas; and 3) Performance. The point of contact is Michael Donnelly (ME-90) on (202) 586-5705.

Project Engineering and Design

All construction-funded projects **\$5 million and over** require Project Engineering and Design (PED) funds prior to execution. Headquarters program offices are responsible for determining which projects qualify for PED funds. Field elements should contact their headquarters budget resource point of contact and determine who will prepare the PED request. The point of contact is Michael Donnelly (ME-90) on (202) 586-5705.

Information Technology Capital Asset Plans*

It is important to identify and coordinate IT activities being planned by all elements of the Department (including program offices, staff offices, field elements, laboratories, and contractors) in order to report complex-wide IT activities. The FY 2005 guidance contains the most current version of the Exhibit 300 format.

For the FY 2005 budget cycle, the dollar threshold for reporting major IT investments using OMB Exhibit 300 will continue to be **\$2 million or more in a year**. Also, **all financial systems that cost \$500,000 or more** require an Exhibit 300 report. Questions on the IT reporting requirements should be directed to John Przysucha, (IM-22) on (202) 586-8836.

Facilities and Infrastructure*

The F&I crosscut instructions have been modified to clarify data requirements and thereby improve the Department’s ability to provide useful reports to Congress on the level of investment being made to maintain and improve DOE facilities and infrastructure. The points of contact are Andrew Duran, (202) 586-4548 and Ed Dailide, (202) 586-5422 (ME-90).

Environment, Safety and Health*

In previous Field Budget Calls we requested extensive information regarding environmental, safety and health activities from the field elements, and requested that information be sent to the program offices, the Office of Environment, Safety and Health, and the CFO. ES&H was responsible for the review and consolidation of this information and supported the CFO during the CRB process to assure that the environment, health and safety requirements identified by the Field were supported in the

** These items contain new or revised reporting requirements for the FY 2005 Field Budget Call*

various programs' budget submissions. Maintaining this process proved to be cumbersome and repetitive. Another system, the Integrated Safety Management System, was already in place and essentially performed a similar function. This system integrates safety into work planning and execution that is currently a part of all DOE contracts. Because significant progress had already been accomplished in implementing the Integrated Safety Management System into the contracts themselves, we are now in a position to more effectively hold the line on management and the contractors, thus making them responsible for ensuring that these activities receive the necessary emphasis and funding. Therefore, the affected headquarters program, ES&H, and the CFO will no longer be required to conduct this review. In the FY 2005 CRB, each Lead Program Secretarial Officer (LPSO) will be required to attest to the adequacy of funding for ES&H activities in a certifying statement to be submitted as a part of their submission.

Because compliance activities are considered ES&H liabilities under the Government Management Reform Act of 1994 (GMRA), the Department is required to report its ES&H liability in the Department's financial statements. Therefore, in the June timeframe, the Office of Financial Policy will send out separate guidance from the CFO that will ask sites to record their ES&H liability in the accounting system.

Financial Management Activities

Chapter III, Paragraph 9 of the Field Section of the DOE Budget Formulation Handbook is designated for financial management activities. Questions concerning financial management activities should be directed to ME-12 (Lori King, 301-903-0273).

CHAPTER III

1. **INTRODUCTION.** In addition to the primary justification in Chapter II, each laboratory, facility and contractor shall prepare and submit the supplementary justification material exhibits described in this chapter, as appropriate. Copies of this material shall be provided to the Headquarters Organizations as indicated in Attachment D of the Field Budget Call guidance. Questions on supplementary requirements should be directed to the point of contacts specified below:

SUPPLEMENTAL JUSTIFICATION MATERIALS	SUBMITTED BY:		POINT OF CONTACT	
	M&O	Field Element	NAME	PHONE
Uncosted Obligations	X	X	Dean Childs	301-903-2560
Reimbursable Work	X	X	Patricia Lach	301-903-2906
Cost of Work for Others	X	X	Jayne Faith	202-586-2983
Aviation Services	X	X	Robert Jenkins	202-586-5532
Excess Facilities Management	X	X	Andy Szilagyi	301-903-4278
Isotopes Inventory Transactions	X	X	John Pantaleo	301-903-2525
Planned Acquisition of Capital Assets	X	X	David Treacy John Prysucha (IT)	202-586-3151 202-586-8836
Financial Management Activities		X	Lori King	301-903-5265
Landlord	X	X	Janis Greene	202-586-7916
Indirect Costs			Janis Greene	202-586-7916
Minority Educational Institutions, including Historically Black Colleges and Universities	X	X	Annie Whatley	202-586-0281

7. **Office of Isotopes for Medicine and Science.**

- a. Isotope Programs within the U.S. Department of Energy (the Department) provides a reliable supply of isotope products and services to serve the needs of the United States medical, industrial, and research communities.
- b. The charter of the Department's Isotope Programs covers the production and sale of isotope products and related services to the user community utilizing government-owned facilities. Isotope Programs is the conduit to sell the Department's isotope products and services. The isotopes are sold at their market value or at a price determined to be in the best interest of the government for use in medical diagnosis and therapy, medical and scientific research, and industrial applications.
- c. The program's charter covers the production and sale of radioactive and stable isotopes, associated byproducts, surplus materials such as lithium and helium, and related isotope services. Services include, but are not limited to, irradiation services, target preparation and processing, source encapsulation and other special preparations, analyses, chemical separations, and the lease of stable isotopes for research purposes.
- d. On the attached table, list those products or services you anticipate to sell from inventory or to process in anticipation of sale and the associated expense. It is important that Isotope Programs have at least two months notification for any intended DOE sales, so marketing and distribution arrangements can be coordinated.
- e. It should be noted that those sites that are currently producing and selling isotope products and services on a routine basis need not provide the attached table.

The Isotope Product and Service Estimated Expense Statement (Figure III-7.1) details the cost by isotope product or service to be provided.

Additional product information can be found online at www.ornl.gov/isotopes/catalog.htm.

ISOTOPE PRODUCT OR SERVICE
ESTIMATED EXPENSE

[illegible]

Notes: All isotopes should be separated by radioisotopes and stable isotopes.

* Services may include but are not limited to the following: chemical processing, target and source irradiations, research, development and testing capabilities, chemical form conversions, and source encapsulations.

8. **PLANNED ACQUISITION OF CAPITAL ASSETS.**

- a. Background. The Office of Management and Budget (OMB) Circular A-11 Part 3, Planning, Budgeting, Acquisition, and Management of Capital Assets requires all agencies to provide information related to the acquisition of capital assets as part of their initial budget submissions. This information includes a summary of spending for project stages; justification and other information; and cost, schedule, and performance goals.
- b. The Department is required to submit a performance report with the September OMB budget submission in the Exhibit 300 format prescribed in OMB Circular A-11, Part 3 for all capital assets. The instructions are found in OMB Circular A-11 at <http://www.whitehouse.gov/omb/circulars/index.html>. The format is provided at Figure III-8. The reporting threshold is all capital asset projects with a total estimated cost (TEC) of \$20,000,000 or more. Capital Asset Plans are required regardless of type (color) of funds and irrespective of whether the asset will be capitalized.
- c. For Information Technology the threshold is \$2,000,000 or more in one year. Also, all financial systems that cost \$500,000 or more require an Exhibit 300 report. (See Chapter IV, paragraph 2).
- d. A guide to capital asset plans (Exhibit 300s) for IT has been published as is available at <http://cio.doe.gov/ITReform/Planning/Exhibits/2004.htm>. The guide for the acquisition of all other capital assets is in preparation and will be available at http://oecm.energy.gov/policies_guides/policies_index.html in the near future.

PART I: CAPITAL ASSET PLAN AND BUSINESS CASE (All Assets)

Agency

Bureau

Account Title

Account Identification Code

Program Activity

Name of Project

Unique Project Identifier: (IT only)(See section [53](#))

Project Initiation Date

This Project is: Initial Concept ____ Planning ____ Full Acquisition ____ Steady State ____
Mixed Life Cycle ____

Project/useful segment is funded: Incrementally ____ Fully ____

Was this project approved by OMB for previous Year Budget Cycle? Yes ____ No ____

Did the Executive/Investment Review Committee approve funding for this project this year? Yes ____ No ____

Did the CFO review the cost goal? Yes ____ No ____

Did the Procurement Executive review the acquisition strategy? Yes ____ No ____

Is this investment included in your agency's annual performance plan or multiple agency annual performance plans? Yes ____ No ____

Does the project support homeland security goals and objectives, i.e., 1) improve border and transportation security, 2) combat bio-terrorism, 3) enhance first responder programs; 4) improve information sharing to decrease response times for actions and improve the quality of decision making? Yes ____ No ____

Is this project information technology? (See section [300.4](#) for definition) Yes ____ No ____

For information technology projects only:

a. Is this Project a Financial Management System? (see section

[53.3](#) for a definition)

Yes ____

No ____

If so, does this project address a FFMI compliance area?

Yes ____

No ____

If yes, which compliance area?

b. Does this project implement electronic transactions or record keeping that is covered by the Government Paperwork Elimination Act (GPEA)?

Yes ____

No ____

If so, is it included in your GPEA plan (and does not yet provide an electronic option)?

Yes ____

No ____

Does the project already provide an electronic option?

Yes ____

No ____

c. Was a privacy impact assessment performed for this project?

Yes ____

No ____

d. Was this project reviewed as part of the FY 2002 Government Information Security Reform Act review process?

Yes ____

No ____

d.1 If yes, were any weaknesses found?

Yes ____

No ____

d.2. Have the weaknesses been incorporated into the agency's corrective action plans?

Yes ____

No ____

e. Has this project been identified as a national critical operation or asset by a Project Matrix review or other agency determination?

Yes ____

No ____

e.1 If no, is this an agency mission critical or essential service, system, operation, or asset (such as those documented in the agency's COOP Plan), other than those identified above as national critical infrastructures?

Yes ____

No ____

SUMMARY OF SPENDING FOR PROJECT STAGES

(In Millions)

(Estimates for BY+1 and beyond are for planning purposes only
and do not represent budget decisions)

III-8.3

Figure III-8
OMB Exhibit 300

	PY-1 and Earlier	PY 2002	CY 2003	BY 2004	BY+1 2005	BY+2 2006	BY+3 2007	BY+4& Beyond	Total
Planning:									
Budgetary Resources									
Outlays									
Acquisition :									
Budgetary Resources									
Outlays									
Total, sum of stages:									
Budgetary Resources									
Outlays									
Maintenance:									
Budgetary Resources									
Outlays									
Total, All Stages:									
Budgetary Resources									
Outlays									

I. A. Project Description

1. Provide a brief description of this project and its status through your capital planning and investment control (CPIC) or capital programming "control" review for the current cycle.
2. What assumptions are made about this project and why?
3. Provide any other supporting information derived from research, interviews, and other documentation.

I.B. Justification (All Assets)

1. How does this investment support your agency's mission and strategic goals and objectives?
2. How does it support the strategic goals from the President's Management Agenda?
3. Are there any alternative sources in the public or private sectors that could perform this function?
4. If so, explain why your agency did not select one of these alternatives.
5. Who are the customers for this project?
6. Who are the stakeholders of this project?

7. If this is a multi-agency initiative, identify the agencies and organizations affected by this initiative.
8. How will this investment reduce costs or improve efficiencies?
9. List all other assets that interface with this asset _____. Have these assets been reenigneered as part of this project? Yes ____, No ____.

I.C. Performance Goals and Measures (All Assets)

Fiscal Year	Strategic Goal(s) Supported	Existing Baseline	Planned Performance Improvement Goal	Actual Performance Improvement Results	Planned Performance Metric	Actual Performance Metric Results
2002						
2003						
2004						
2005						
2006						
2007						

I.D. Program Management [All Assets]

1. Is there a program manager assigned to the project? If so, what is his/her name? Yes _____ No _____
2. Is there a contracting officer assigned to the project? If so, what is his/her name? Yes _____ No _____
3. Is there an Integrated Project Team? Yes _____ No _____
- 3.A. If so, list the skill set represented.
4. Is there a sponsor/owner? Yes _____ No _____

I.E. Alternatives Analysis [All Assets]

1. Describe the alternative solutions you considered for accomplishing the agency strategic goals that this project was expected to address. Describe the results of the feasibility/performance/benefits analysis. Provide comparisons of the returns (financial and other) for each alternative.

Alternative	Description
Alternative 1 –	
Alternative 2 –	
Alternative 3 –	

2. Summarize the results of your life-cycle cost analysis performed for each investment and the underlying assumptions.

Cost Elements	Alternative 1	Alternative 2	Alternative 3
Element 1			
Element 2			
Element 3			
Element 4			
Element 5			
Total			

3. Which alternative was chosen and why? Define the Return on Investment (ROI).
3. A. Are there any quantitative benefits that will be achieved through this investment (e.g., systems savings, cost avoidance, stakeholder benefits, etc)?

3. B. For alternative selected, provide financial summary, including Net Present Value by Year and Payback Period Calculations:

YEAR =	FY	FY	FY	FY	FY	FY	FY	FY	FY

4. What is the date of your cost benefit analysis?

I. F. Risk Inventory and Assessment (All Assets)

In this section, describe the results of your risk assessment for this project and discuss your plans to eliminate, mitigate, or manage identified risks. Risk assessments should be performed at the initial concept stage and then monitored and controlled throughout the life-cycle of the project, and should include risk information from all stakeholders. Risk assessments for all projects must include schedule, costs (both initial and life cycle), technical Obsolescence, feasibility, reliability of systems, dependencies and interoperability between this project and others, surety (asset protection) considerations, risk of creating a monopoly for future procurements, capability of agency to manage the project, and overall risk of project failure.

In addition, for IT projects risk must be discussed in the following categories 1) Organizational and Change Management, 2) Business, 3) Data/Info, 4) Technology, 5) Strategic, 6) Security, 7) Privacy, and 8) Project Resources. (Agencies may include others for IT, and may define the core set for other assets). For security risks, identify under the description column the level of risk as high, medium, or basic. What aspect of security determines the level of risk, i.e., the need for confidentiality of information, availability of information or the system, reliability of the information or system?

Date Identified	Area of Risk	Description	Probability of Occurrence	Strategy for Mitigation	Current Status as of the date of this exhibit

1. What is the date of your risk management plan?

I.G. Acquisition Strategy

1. Will you use a single contract or several contracts to accomplish this project?
 - 1.A. If multiple contracts are planned, explain how they are related to each other, and how each supports the project performance goals.
2. What type(s) of contract(s) will you use (e.g. cost reimbursement, fixed-price, etc.)?
 - 2.A. For cost reimbursement contracts, define risk not sufficiently covered by the risk mitigation plan to require this type of contract.
3. Will you use financial incentives to motivate contractor performance (e.g. incentive fee, award fee, etc.)?
4. Will you use competition to select suppliers?
5. Will you use commercially available or COTS products, or custom-designed products?
6. What is the date of your acquisition plan?
7. How will you ensure Section 508 compliance?

I.H. Project and Funding Plan

The information required by this section will be provided by your earned value management system (EVMS) and the EVMS software program you use that meets the ANSI/EIA Standard 748 (see section [300.4](#) (earned value management)). Information on earned value management systems is available at <http://www.acq.osd.mil/pw>.

I.H.1. Description of performance-based management system (PBMS):

Name the software program that meets ANSI/EIA Standard 748 that you will use, or are using, to monitor and manage contract and project performance. If the project is operational (steady state), define the operational analysis system that will be used. If this is a mixed life-cycle project with both operational and development/modernization/ enhancement (DME) system improvement aspects, EVMS must be used on the system improvement aspects of the contract and operational analysis on the operations aspects. Using information consistent with the work breakdown structure (WBS), provide the information requested in all parts of this section.

I.H.2. Original baseline (OMB-approved at project outset):

What are the cost and schedule goals for this phase or segment/module of the project (e.g., what are the major project milestones or events; when will each occur; and what is the estimated cost to accomplish each one)? Also identify the funding agency for each milestone or event if this is a multi-agency project. If this is a multi-agency project or one of the President's E-Gov initiatives, use the detailed project plan with milestones on the critical path, to identify agency funding for each module or milestone. (This baseline must be included in all subsequent reports, even when there are OMB-approved baseline changes shown in I.H.3).

Cost and Schedule Goals: Original Baseline for a Phase/Segment/Module of Project					
Description of Milestone	Schedule			Planned Cost	Funding Agency
	Start Date	End Date	Duration (in days)		
1.					
2.					
3.					
Completion date:				Total cost estimate at completion:	

I.H.3. Proposed baseline/current baseline (applicable *only* if OMB approved the changes):

Identify in this section a proposed change to the original or current baseline or an OMB-approved baseline change. What are the new cost and schedule goals for the project (e.g., what are the major project milestones or events; when will each occur; and what is the estimated cost to accomplish each one)? Also identify the funding agency for each milestone or event if this is a multi-agency project. If this is a new project in the FY 2004 budget year, this section will be blank for your initial submission.

Cost and Schedule Goals: Proposed _____ or Current (OMB-Approved) _____ Baseline for a Phase/Segment/Module of Project					
Description of Milestone	Schedule			Planned Cost	Funding Agency
	Start Date	End Date	Duration (in days)		
1.					
2.					
3.					
Completion date:				Total cost estimate at completion:	

I.H.4 Actual performance and variance from OMB-approved baseline (original or current):

A. Show for each major project the milestones or events you planned (scheduled) to accomplish and the cost and what work was actually done and the cost. If this is a new project in the FY 2004 budget year, this section will be blank for your initial submission. OMB may ask for the latest information during the budget review process.

Comparison of OMB-Approved Baseline and Actual Outcome for Phase/Segment/Module of a Project									
Description of Milestone	OMB-Approved Baseline					Actual Outcome			
	Schedule			Planned Cost	Funding Agency	Schedule		Percent Complete	Actual Cost
	Start Date	End Date	Duration (in days)			Start Date	End Date		
1.									
2.									
3.									
Completion date: OMB-approved baseline:						Estimated completion date:			
Total cost: OMB-approved baseline:						Estimate at completion:			

- B. Provide the following project summary information from your EVMS software: As of : (date)
- B.1. Show the budgeted (planned) cost of work scheduled (BCWS): \$ _____
- B.2. Show budgeted (planned) cost of work performed (BCWP): \$ _____
- B.3. Show the actual cost of work performed (ACWP): \$ _____
- B.4. Provide a cost curve graph plotting BCWS, BCWP and ACWP on a monthly basis from inception of this phase or segment/module through the latest report. In addition, plot the ACWP curve to the estimated cost at completion (EAC) value, and provide the following EVMS variance analysis.

PROJECT SUMMARY (CUMULATIVE)	
	Value
Cost Variance = (BCWP-ACWP) =	
Cost Variance % = (CV/BCWP) x 100% =	
Cost Performance Index (CPI) = (BCWP/ACWP) =	
Schedule Variance = (BCWP-BCWS) =	
Schedule Variance % = (SV/BCWS) x 100% =	
Schedule Performance Index (SPI) = (BCWP/BCWS) =	
Two independent Estimates at Completion (EAC) = (ACWPcum + Performance Factor (PF) X(BAC B BCWPcum) where $PF_1 = 1/CPI$, and $PF_2 = 1/CPI \times SPI$ =	
Variance at Completion (VAC) = (BAC B EAC) for both EACs above =	
Variance at Completion % = (VAC/BAC) x 100% for both EACs above =	
Expected Funds to Completion (ETC) =	
Expected Completion Date =	

Definitions for Earned Value Management System:

- ACWP – Actual Cost for Work Performed – What you paid.
- BAC – Budget At Completion – The baseline (planned) budget for the project.
- BCWP – Budgeted Cost for Work Performed – The earned value.
- BCWS – Budgeted Cost for Work Scheduled – The planned costs.
- CPI – Cost Performance Index – The ratio of the budgeted to actual cost of work performed.
- CV – Cost Variance – The difference between planned and actual cost of work performed.
- EAC – Estimate At Completion – The latest estimated cost at completion.
- ETC – Estimate to Completion – Funds needed to complete the project.
- PF – Performance Factor – The cost to earn a dollar of value, or ACWP/BCWP, or 1/CPI.
- SPI – Schedule Performance Index – The percent of the project that has been completed.
- SV – Schedule Variance – The variance between the actual and planned schedules.

VAC – Variance at Completion – The variance between the baseline and actual budget at completion.

C. If cost and/or schedule variance are a negative 10 percent or more, explain the reason(s) for the variance(s):

- D. Provide performance variance. Explain whether, based on work accomplished to date, you still expect to achieve your performance goals. If not, explain the reasons for the variance.
- E. Discuss the contractor, government, and at least the two EAC index formulas in I.H.4.B, current estimates at completion. Explain the differences and the IPTs selected EAC for budgeting purposes.
- F. Discuss the corrective actions that will be taken to correct the variances, the risk associated with the actions, and how close the planned actions will bring the project to the original baseline. Define proposed baseline changes, if necessary.
- G. Has the Agency Head concurred in the need to continue the program at the new baseline?

Yes____ No____

Part II: Additional Business Case Criteria for Information Technology

II. A. Enterprise Architecture

II.A.1 Business

- A. Is this project identified in your agency's enterprise architecture? If not, why?
- B. Explain how this project conforms to your departmental (entire agency) enterprise architecture.
- C. Identify the Lines of Business and Sub-Functions within the Federal Enterprise Architecture Business Reference Model that will be supported by this initiative.
- D. Briefly describe how this initiative supports the identified Lines of Business and Sub-Functions of the Federal Business Architecture.
- E. Was this project approved through the EA Review committee at your agency?
- F. What are the major process simplification/reengineering/design projects that are required as part of this initiative?
- G. What are the major organization restructuring, training, and change management projects that are required?

H. What are the Agency lines of business involved in this project?

I. What are the implications for the agency business architecture?

II.A.2 Data

A. What types of data will be used in this project?

B. Does the data needed for this project already exist at the Federal, State, or Local level? If so, what are your plans to gain access to that data?

C. Are there legal reasons why this data cannot be transferred? If so, what are they and did you address them in the barriers and risk sections above?

C. If this initiative processes spatial data, identify planned investments for spatial data and demonstrate how the agency ensures compliance with the Federal Geographic Data Committee standards required by OMB Circular A-16.

II.A.3 Application and Technology

A. Discuss this initiative/project in relationship to the application and technology layers of the EA. Include a discussion of hardware, applications, infrastructure, etc.

B. Are all of the hardware, applications, and infrastructure requirements for this project included in the EA Technical Reference Model? If not, please explain.

II. B. Security and Privacy

NOTE: Each category below must be addressed at the project (system/application) level, not at a program or agency level. Referring to security plans or other documents is not an acceptable response.

II.B.1. How is security provided and funded for this project (e.g., by program office or by the CIO through the general support system/network)?

A. What is the total dollar amount allocated to security for this project in FY 2004?

II.B.2 Does the project (system/application) meet the following security requirements of the Government Information Security Reform Act, OMB policy, and NIST guidance?

A. Does the project (system/application) have an up-to-date security plan that meets the requirements of OMB policy and NIST guidance? What is the date of the plan?

B. Has the project undergone an approved certification and accreditation process? Specify the C&A methodology used (e.g., NIST guidance) and the date of the last review.

- C. Have the management, operational, and technical security controls been tested for effectiveness? When were most recent tests performed?
 - D. Have all system users been appropriately trained in the past year, including rules of behavior and consequences for violating the rules?
 - E. How has incident handling capability been incorporated into the system, including intrusion detection monitoring and audit log reviews? Are incidents reported to GSA's FedCIRC?
 - F. Is the system operated by contractors either on-site or at a contractor facility? If yes, does any such contract include specific security requirements required by law and policy? How are contractor security procedures monitored, verified, and validated by the agency?
- II.B.3 How does the agency ensure the effective use of security controls and authentication tools to protect privacy for those systems that promote or permit public access?
- II.B.4 How does the agency ensure that the handling of personal information is consistent with relevant government-wide and agency policies.
- II.B.5 If a Privacy Impact Assessment was conducted, please provide a copy to OMB.

II. C. Government Paperwork Elimination Act (GPEA)

- II.C.1 If this project supports electronic transactions or record-keeping that is covered by GPEA, briefly describe the transaction or record-keeping functions and how this investment relates to your agency's GPEA plan.
- II.C.2 What is the date of your GPEA plan?
- II.C.3 Identify any OMB Paperwork Reduction Act (PRA) control numbers from information collections that are tied to this investment.

9. FINANCIAL MANAGEMENT ACTIVITIES.

a. General Reporting Requirements

- (1) Reporting Field Entities are responsible for reporting required Financial Management data using the “**Report on Resources for Financial Management Activities**” (**Exhibit 52, Figure III-9.1**) to the Office of Financial Control and Reporting (ME-12.2) and the responsible Program/Secretarial Officer by the date specified in the Field Budget Call. Figure III.9.2 will be prepared by the Inspector General’s office.
- (2) All questions and submissions should be directed to the following figure-specific contact points within the Office of the Chief Financial Office and the Office of Inspector General:

(a) **Figure III-9.1, Report on Resources for Financial Management Activities (Exhibit 52)**

Contact: Lori King ME-12.2

PHONE: (301)903-5265 FAX: (301)903-0273

INTERNET ADDRESS: Lori.King@hq.doe.gov

ADDRESS: U.S. Department of Energy
Office of Financial Control and Reporting
Room E-169, Germantown Building
19901 Germantown Road

(b) **Figure III-9.2, Audits of Financial Statements**

Contact: IG-33

Phone: (202) 586-5703 Fax: (202)-586-0099

Address: U.S. Department of Energy
Office of Inspector General
Room 5A-193, Forrestal Building
1000 Independence Ave, S.W.
Washington, DC 20585

b. Background

- (1) The necessary submissions require data from both the Finance/Accounting and Budget offices of Field and Headquarters elements. Therefore, **coordination is vital**.

c. Figure III-9.1, Report on Resources for Financial Management Activities

- (1) **Reporting Structure and Definitions.** All DOE Field CFO Organizations and other DOE Field locations which have **Federal Employees** dedicated to performing financial management activities are to provide the information requested. In completing this Figure, each Reporting Entity will detail its budget by the following functional categories:

- (a) **Accounting and Reporting:** Includes resources for processing, recording and reporting of revenues, receipts, appropriations, apportionments, allotments, obligations, outlays, expenditures, assets, liabilities, and other financial transactions; reconciliation of asset and liability accounts, such as accounts or loans receivable, with subsidiary records and with external data, such as Treasury cash records; funds control and preparation of financial statements.
 - (b) **Audits of Financial Statements:** Includes resources for performing audits of financial statements, with separate identification for contract and in-house costs, as detailed in Exhibit 52. Do not include resources for preparation of financial statements.
 - (c) **Financial Management Systems:** Includes resources for financial management systems, which consist of financial systems and financial portions of mixed systems necessary to support financial management.
- (2) **Reporting Requirements.** Your completed “Report on Resources for Financial Management Activities” is intended to report the total Federal staffing (FTEs) and dollars required to carry out the **Federal** financial management function in the field. (Western Area Power Administration is exempt from this reporting requirement.) This includes all of the resources required for field CFO organizations and other field locations which have Federal FTEs performing financial management activities. All direct costs to support DOE's financial management function are to be reported, excluding those resources dedicated to the procurement function and those resources required principally for program management and having only secondary responsibilities for financial management.
- (3) Complete line items 2001 through 7002 that are applicable to your organization and complete line items 9998 and 9999. The remainder (line items 8102 through 9402) will be completed by the Office of Financial Control and Reporting. (4) FTE's should be reported for each of the two years (CY and BY) and should reflect total FTE's required to perform financial management activities for each year.
- (5) **Explanation of Changes.** In completing the “Report on Resources for Financial Management Activities,” please provide explanations for significant changes from CY to BY.

DEPARTMENT OF ENERGY FIELD OFFICE:

(In thousands of dollars)

REPORT ON RESOURCES FOR FINANCIAL MANAGEMENT ACTIVITIES

		PY	CY	BY
	Accounting and Reporting			
2001	No. of FTE			
2002	Budgetary Resources			
	Contractor Accounting and Reporting			
2102	Obligations/Budgetary Resources			
	Audits of Financial Statements			
3001	No. of FTE			
3002	Obligations/Budgetary Resources			
	Financial Management Systems			
4001	No. of FTE			
4002	Obligations/Budgetary Resources			
	Subtotal			
5001	No. of FTE			
5002	Obligations/Budgetary Resources			
	Adjustments			
6001	No. of FTE			
6002	Obligations/Budgetary Resources			
	Total, net			
7001	No. of FTE			
7002	Obligations/Budgetary Resources			

	Audits of Financial Statements	
	Contract	
8102	Budget Authority	
	In-house costs	
8201	No. of FTE	
8202	Budget Authority	
	Org-wide Financial Statements	
	Contract	
9102	Budget Authority	
	In-house costs	
9201	No. of FTE	
9202	Budget Authority	
	Total, all reporting entities	
9401	No. of FTE	
9402	Budget Authority	

LINE ITEMS 8102 THROUGH 9402 TO BE
COMPLETED BY THE OFFICE OF FINANCIAL
CONTROL AND REPORTING

9998 Agency Contact:
9999 Telephone Number

DEPARTMENT OF ENERGY
FYBY FIELD BUDGET
AUDIT OF FINANCIAL STATEMENTS
(Dollars in Thousands)

Organization:
Contact

Phone:

FYCY Estimate		FYBY Estimate	
FTE	BA	FTE	BA

Working Capital Fund
Contract
In-house cost
Subtotal, Working Capital

Organization-wide Financial
Statement
Contract
In-house costs
Subtotal, Organization-
wide

CHAPTER IV

CROSSCUTS

INTRODUCTION. Crosscuts are exhibits used by Headquarters Organizations to consolidate the total amount being budgeted for a functional cost that is funded by numerous programs. Copies of these crosscuts shall be simultaneously submitted to cognizant PSOs and Headquarters organizations with oversight responsibilities as indicated below:

CROSSCUTS	Completed by:		Point of Contact	Phone
	M&O	Ops/FO		
Environmental, Safety and Health	X	X	Robert Myers (ME-11)	202-586-8609
Information Technology	X	X	John Przysucha (IM-20)	202-586-8836
Facilities and Infrastructure	X	X	Andrew Duran (ME-90)	202-586-4548

1. **ENVIRONMENT, SAFETY AND HEALTH: Supplementary Budget Submission Guidance.**

Because compliance activities are considered ES&H liabilities under the Government Management Reform Act of 1994 (GMRA), the Department is required to report its ES&H liability in the Department's financial statements. Therefore, in the June timeframe, the Office of Financial Policy will send out separate guidance from the CFO that will ask sites to record their ES&H liability in the accounting system. Questions about the ES&H input to the financial statements may be directed to ME-11 (Robert Myers, 202-586-8609).

3. **Instructions for FY 2005 Integrated Facility and Infrastructure (IFI) Crosscut Budget for the Field Budget Submittal**

a. Background:

- (1) The senior leadership of the Department of Energy (DOE) has directed that the Department take steps to remedy the deteriorating condition of our buildings and facilities. Congress has also requested in Conference Committee Report 107-258 that the Department provide, as part of each year's Congressional Budget submittal, an integrated facilities and infrastructure budget exhibit that identifies proposed Facility and Infrastructure funding, by DOE HQ program PSO, by site. The IFI crosscut budget is the collection and reporting mechanism for this purpose.

b. Use of the Data:

- (1) The data provided by this call will be used for several Departmental purposes. The cost data from Blocks 1 through 6 (Tab A) will ultimately be used to report an Integrated Facilities and Infrastructure (IFI) budget included as an exhibit in the Congressional Budget. This exhibit will show summary for the Department and each PSO supported by a site level summary detail (FY PY-BY). There may be as many as 15 site level summary sheets for one PSO. There may also be more than one PSO mission supported at a site. Support does not mean that the PSO is an "owner" of a facility. Programs may just be paying a space charge for facility maintenance.
- (2) Tab B shows a sample completed data sheet for a fictitious laboratory with one PSO. If there were another PSO at this laboratory, then that PSO would also need its F&I budget numbers identified on a data sheet.
- (3) IFI data will be used during the Headquarters budget processes to ensure that adequate resources are being provided, as trending data, and for the review of data target levels identified earlier in some programs' Program Budget Decisions (PBDs). This data will also form the basis for monitoring during budget execution.
- (4) The new gross building area identified in Blocks 1, 2, and 3, and excess area eliminated by projects in Blocks 4 and 6 will be used to support the preparation of the annual report to Congress on the elimination of excess property (FY PY-BY). The cost data for excess elimination will also be used in this report. As such, it is important that the information be as complete and as accurate as possible.
- (5) The site data provided for this call is to be at a project level through at least BY+1 so that the composition of the near-term site budget level for each program is understood. This requirement can be satisfied by the Ten-Year Site Plan (TYSP) provided that the required IFI detail is included and TYSPs are provided to ME-90 in accordance with the reporting schedule, i.e., data is endorsed by programs and is available in accordance with the CRB schedule.
- (6) The budget and funding levels will be compared to those established by the National Academy of Science's National Research Council's (NRC) industry standard levels. To

accommodate the comparison, the data will be regrouped to better align with the NRC's functional divisions for types of work. Several NRC publications were used to develop the functional categories^{1 2} in the current IFI data input sheet.

(7) Reporting Process:

- (a) The budget amounts for each PSO supported at a site are to be developed and reported on separate input sheets. The sites are to provide the appropriate IFI data sheet to the corresponding headquarters program budget office.
- (b) Program Budget Offices will review/revise and collate the site reported data and forward the program package to the Office of Engineering and Construction Management (ME-90) at least two weeks prior to the start of the DOE Corporate Review Budget process.
- (c) If budget decisions during the CRB or OMB reviews modify any data element's value, a revised submittal for each program's affected sites is to be transmitted to ME-90.
- (d) DOE Field Offices will:
 - 1 Complete a set of data sheets for each PSO supported at the site.
 - 2 Send IFI data sheet for each program supported to the appropriate PSObudget office.
- (e) PSOs will:
 - 1 Review the field submittals,
 - 2 Revise the figures as necessary, and
 - 3 Collate and provide all site data sheets to OMBE two weeks prior to the CRB.
 - 4 Provide revised data sheets as necessary for the OMB and Congressional Budgets.

1 Committing to the Cost of Ownership; Maintenance and Repair of Public Buildings, National Academy Press 1990.

2 Stewardship of Federal Facilities; A Proactive Strategy for Managing the Nation's Public Assets, National Academy Press 1998.

c. IFI Data Sheet Instructions and Definitions:

(1) General

- (a) The data for the FY PY-1 and FY PY columns should be consistent with data that was provided for the FY CY Congressional Budget's IFI Crosscut Exhibit unless subsequent Congressional action has revised them. The data in FY BY column are to be consistent with program directed funding levels for the site. FY BY+1-BY+4 values are to be consistent with the Planning, Programming, Budget and Evaluation System (PPBES) or similar targets established by the program for the site.

(2) Block 1: Capital Line Items. Capital line items are separately identified project activities that are submitted for funding and are specifically reviewed and approved by Congress. (DOE O 430.1A)

- (a) Block 1 Line 1.1: List those betterment projects that construct a **new or replacement** building, or **an addition** to an existing building to satisfy new mission requirements or expansion of existing mission requirements. Gross Building Area constructed in square feet is to be shown in the second column.

- (b) Block 1 Line 1.2: List those betterment projects that **do not** result in the construction of a new building or an addition to an existing building. This reflects part of the projects reported in old block 1.0, from the earlier data calls. If a site's HQ program approved TYSP provides Line Item project listings, data is current with the FY BY field budget submittal, and ME-90 has a copy (printed or electronic), then only the subtotal cost of all Line Item construction projects for Block 1.1 and 1.2 must to be provided.

(c) Definitions for Block 1.

- 1 **Capital Line Items** (1.1) Those separately identified project activities that are submitted for funding, are greater than or equal to \$5 million, and are specifically reviewed and approved by Congress. (Derived from DOE O 430.1A)
- 2 **Betterments** are improvements to Plant and Capital Equipment (P&CE) that result in better quality, higher capacity, or an extended useful life, or work required to accommodate regulatory and other requirement changes. Betterments are capitalized. Determining when and to what extent an expenditure should be treated as a betterment requires judgment. When a minor item is replaced in each of a number of similar units, the effect of the replacement as related to each unit, rather than to the cumulative costs, is the proper basis for determining whether or not a betterment is effected. Although a particular project may meet the

characteristic of a betterment, if the capitalization criteria are not met or the improvement added is insignificant, then the project should be expensed. Listed below are the various terms that are commonly used to describe various categories of betterments.

- 3 **Construction** is the erection, installation, or assembly of a new plant facility; the addition, expansion, improvement, or replacement of an existing facility (e.g. demolish existing facility & construct new); or the relocation of a facility. Construction includes equipment installed in and made part of the facility and related site preparation; excavation, filling and landscaping, or other land improvements; and the design of the facility. Examples of improvements of an existing facility include the following types of work:

Replacing standard walls with fireproof walls;

Installing a fire sprinkler system in a space that was previously not protected with a sprinkler system; and

Replacing utility system components with a significantly larger capacity components (such as replacing a 200-ton chiller with a 300-ton chiller) and converting the functional purpose of an office into a computer room).

- 4 **Conversion** is a major structural revision of a facility that changes the functional purpose for which the facility was originally designed or used.

- 5 **Replacement** is a complete reconstruction of a plant record unit that has deteriorated or has been damaged beyond the point where its individual parts can be economically repaired. If the item replaced is a retirement unit, its original costs (including installation cost) are removed from the P&CE accounts, and the cost of the newly installed item (including installation cost) is added to the P&CE accounts.

(3) Block 2: General Plant Projects.

- (a) Block 2, Line 2.1: Fill in the dollar value of all other betterments **that result in an increase to building's area** such as additions or a new or replacement building.
- (b) Block 2, Line 2.2: List those GPP projects that **do not result** in the construction of a new building or an addition to an existing building.
- (c) If a site's PSO-approved TYSP provides a GPP project listing, data is current with the FY BYfield budget submittal, and ME-90 has a copy

(printed or electronic) then only the subtotal cost of all GPP projects in blocks 2.1 and 2.2 must to be provided.

(d) Definitions for Block 2.

- 1 **General Plant Projects (GPP)** Miscellaneous minor new construction (betterment) projects of a general nature, the total estimated cost of which may not exceed the statutory limit of \$5 million. GPP are necessary to adapt new facilities or improve production techniques, to effect economies of operations, and to reduce or eliminate health, fire, and security problems. These projects provide for design and/or construction, additions, improvements to land, buildings and utility systems, and they may include the construction of small new buildings, replacements or additions to roads, and general area improvements. *DOE Accounting Handbook, Chapter 10, 10-14, 2 h.*
- 2 **Betterments** are improvements to P&CE that result in better quality, higher capacity, or an extended useful life, or work required to accommodate regulatory and other requirement changes. Betterments are capitalized. Determining when and to what extent an expenditure should be treated as a betterment requires judgment. When a minor item is replaced in each of a number of similar units, the effect of the replacement as related to each unit, rather than to the cumulative costs, is the proper basis for determining whether or not a betterment is effected. Although a particular project may meet the characteristic of a betterment, if the capitalization criteria are not met or the improvement added is insignificant, then the project should be expensed. Listed below are the various terms that are commonly used to describe various categories of betterments. *Accounting Handbook, Chapter 10 Plant and Capital Equipment, paragraph 1.g.*
- 3 **Construction** is the erection, installation, or assembly of a new plant facility; the addition, expansion, improvement, or replacement of an existing facility (e.g. demolish existing facility & construct new); or the relocation of a facility. Construction includes equipment installed in and made part of the facility and related site preparation; excavation, filling and landscaping, or other land improvements; and the design of the facility. Examples of improvements of an existing facility include the following types of work:

Replacing standard walls with fireproof walls;

Installing a fire sprinkler system in a space that was previously not protected with a sprinkler system; and

Replacing utility system components with significantly larger capacity components (such as replacing a 200-ton chiller with a 300-ton chiller) and converting the functional purpose of an office into a computer room).

4 **Conversion** is a major structural revision of a facility that changes the functional purpose for which the facility was originally designed or used.

5 **Replacement** is a complete reconstruction of a plant record unit that has deteriorated or has been damaged beyond the point where its individual parts can be economically repaired. If the item replaced is a retirement unit, its original costs (including installation cost) are removed from the P&CE accounts, and the cost of the newly installed item (including installation cost) is added to the P&CE accounts.

(4) Block 3: IGPP.

(a) Identify and provide the cost of IGPP construction project.

(b) Gross Building Area (needed only for new buildings and additions) that will be constructed is to be included in the second column.

(c) These are projects reported in old block 4.0 from the earlier IFI data calls.

(d) If a site's HQ program approved TYSP provides an IGPP project listing, data is current with the field budget submittal, and ME-90 has a copy (printed or electronic) then only the subtotal cost of all IGPP projects must be provided.

(e) Definitions for Block 3.

1 **Institutional General Plant Projects (IGPP)** are miscellaneous minor (i.e., less than \$5M) new construction projects of a general institutional nature benefiting multiple cost objectives and required for general purpose site-wide needs. IGPPs do not include projects whose benefit can directly be attributed to a specific or single program. Examples are multi-programmatic/inter-disciplinary scientific laboratory, institutional training facility, site-wide maintenance facilities and utilities, new roads, multi-programmatic office space, multi-programmatic facilities required for "quality of life" improvements. *CFO Memorandum, Institutional General Plant Project (IGPP) April 24, 2002*

(5) Block 4: Operating/Expense for Excess Elimination and Other.

(a) This block is to include work costs funded by operating/expense projects

related to excess elimination and other non-maintenance projects. Dollar values are to be in thousands. Science SLI and NNSA FIRP excess elimination projects would be included in this block.

(b) All costs are to be properly burdened (e.g. direct funded activities include overhead).

(c) Excess elimination O&E projects are to be listed under block 4.1.

(d) Identify the total area eliminated by the project under the gross building area.

(e) All other operating/expense projects are to be grouped and reported under 4.2 "All Other"

(f) If a site's program approved TYSP provides project listings, data is current with the FY BY field budget submittal, and ME-90 has a copy (printed or electronic) then only the subtotal cost of all Operating/Expense projects in Block 4.1& 4.2 must be provided.

(g) Direct O&E maintenance and repair projects are to be included under 5.1.

(6) Block 5: Maintenance and Repair (M&R).

(a) This block is to include all maintenance and repair activities that are funded through indirect and direct means.

(b) All costs are to be properly burdened (e.g. direct funded activities include overhead).

(c) Include direct funded M&R costs on lines that correspond with the funding HQ program. See the example in Tab B.

(d) For the purposes of this process, replacement of an entire building system component in kind (for example; a roof or a Heating Ventilation Air Conditioning ductwork system that does not increase capacity) is considered a repair and shall be reported as such.

(e) Report maintenance and repairs only on real property assets such as buildings, other structures and facilities, utility systems, etc. That is, report maintenance or repairs on the building or structure that houses programmatic real property and equipment, but not maintenance or repairs performed on the programmatic real property or equipment.

(f) Direct Maintenance and Repair is funding that can be identified with a particular program operating funds (via one of two cases: maintenance directly funded by a program—that is identifiable in the B&R structure; or maintenance that is attributable to a site program activity but not directly identified in the B&R Structure) the first time the costs are charged.

These funds are directly appropriated and charged to a program since they are directly related to and are being incurred principally for the benefit of the program receiving these maintenance activities. These are loaded costs that generally consist of direct labor, materials and supplies. Includes charge back maintenance and direct funded (M&R) operating or expense projects. *(Definition derived from Direct Costs in DOE Budget Formulation Handbook, dated March 2, 1998, Chapter 1, paragraph 1d (9), page 1-1.6)*

- (g) Indirect Maintenance and Repair are costs that are not identified with a single, specific final cost objective. These costs, collected in cost pools, are distributed or allocated to a final cost objective based on a predetermined methodology. Site overhead costs, service centers, and organizational burden G&A pools, and Space charge pools are examples of indirect costs. Include indirect (M&R) operating or expense projects. *(DOE Budget Formulation Handbook, dated March 2, 1998, Chapter 1, paragraph 1d (13), page 1-1.7)*
- (h) DOE HQ Programs may request, in supplemental direction to this call, a further division of the maintenance reported under 5.1 and 5.2.
- (i) Definitions for Block 5.

1 **Maintenance** is the recurring day-to-day work that is required to maintain and preserve P&CE in a condition suitable for it to be utilized for its designated purpose. It differs from repair in that it is normally work to correct wear and tear before major repair is required, and it is usually less involved than repair work. Maintenance work is typically also charged to an operating expense account. Preventive maintenance is a specialized category for the broader category of maintenance and is typically charged to an operating expense account. *(Accounting Handbook, Chapter 10 Plant and Capital Equipment, paragraph 1.g.)*

Maintenance does **not** include the following:

Regularly scheduled janitorial work such as cleaning, and preserving facilities and equipment.

Work performed in relocating or installing partitions, office furniture, and other associated activities *(these are defined as alterations)*.

Work usually associated with the removal, moving, and placement of equipment.

Work aimed at expanding the capacity of an asset or otherwise upgrading it to serve needs different from or

significantly greater than those originally intended.

Improvement work performed directly by in-house workers or in support of construction contractors accomplishing an improvement.

Work performed on special projects not directly in support of maintenance or construction.

Non-maintenance roads and grounds work, such as grass cutting and street sweeping (i.e. related to MARS Asset Code 460).

Report maintenance only on real property assets and not on programmatic real property or equipment such as accelerator beam line equipment. That is, report maintenance on the building or structure that houses the equipment, and its mechanical, electrical, communication, and structural systems but not maintenance performed on the programmatic equipment.

- 2 **Repair** is the restoration or replacement of a deteriorated item of P&CE, such that it may be utilized for its designated purpose. The cost of repair, which is normally charged to an operating expense account and includes amounts for labor and associated supervision and materials, as well as indirect and other costs incurred in such repairs, may include costs to replace items of P&CE designated as retirement units. (Power marketing administrations should refer to publications and studies on utility plant service lives.) *Accounting Handbook, Chapter 10 Plant and Capital Equipment, paragraph 1.g.*

(7) Block 6: Indirect O&E Excess Elimination.

:

- (a) Identify indirect O&E projects that eliminate excess buildings and structures.
- (b) Identify in gross building area the square feet eliminated by indirect funded projects in the appropriate budget year (column) that reflects **when the building or building like structure is to be funded. Do not** include in the **area** non-facility demolition (e.g. storage tanks, sewage treatment lagoons, etc. or a MARS Asset Type 550, when its area is not measured in square feet in FIMS) or non-demolition (Disposition or clean-out) work.

(8) Block 7: Area of Excess Eliminated.

- (a) Identify **square footage** that is anticipated to be eliminated in that fiscal year (demolished, sold, out-grant/leased, or transferred to another Federal Agency).

- (b) Elimination of Excess term is used to identify facility disposal projects that will eliminate excess buildings and similar facilities through, demolition, sale, outgrant (lease) and transfer to another federal agencies. Data will be used in tracking the annual elimination of excess facilities and in the preparation of the annual report to Congress as required in the FY 2002 Energy and Water Appropriation Bill Conference Report 107-285.
 - (c) Identify area eliminated by funding type and project in the appropriate year (column) that reflects **when the building or building-like structure is eliminated (demolition completed)**. **Do not** include the area of non-facility demolition (e.g. storage tanks, sewage treatment lagoons, etc. or a MARS Asset Type 550, when its area is not measured in square feet in FIMS) or non-demolition (disposition or clean-out) work.
 - (d) Identify by project, the area added by construction of new or replacement facilities and additions in the **appropriate year (column) to reflect the occupancy year (planned)**.
 - (e) Identify the building or facility area disposed of by sale or lease to private entities and the area transferred to another Federal agency (DO NOT include area transferred between DOE programs).
 - (f) This is the old block 7.0 from the earlier data call.
 - (g) If a site's program approved TYSP provides the same information, is current with the FY BY field budget submittal, and ME-90 has a copy (printed or electronic) then this block data does not need to be provided.
- (9) Q&A for All Blocks:
- (a) Where do you include a Mixed Project? When maintenance and repair work scope is combined with betterments, the resulting project is considered a betterment project.
 - (b) Can an existing building system (HVAC, lighting, electrical, roof, bridge crane, etc.) be replaced with block 5 (maintenance and repair) money?
Yes if replacement does not significantly increase output or capacity of the system.
 - (c) Where is the block for GPE? The IFI is no longer collecting information on GPE. GPE is generally used to procure personal property and equipment such as bulldozers, mobile cranes, trucks, etc. Therefore, GPE is not seen as a significant source of investment for facilities and infrastructure.



- (d) Do we report alterations? Alterations can be included in the “all others” line in blocks 2.0 or 4.0. Alterations, as defined in the reference, are treated as other operating expenses such as janitorial services, utility payments, etc. and not betterments per se.
 - (e) What is a project? For this data collection effort a project is in general, a unique effort that supports a program mission, having defined start and end points, undertaken to create a product, facility, or system, and containing interdependent activities planned to meet a common objective or mission. Examples of Project types include: line item, GPP, and IGPP construction, renovation, and modification; and direct and indirect O&E projects for maintenance, repair, and demolition.
- (10) Reference: **Accounting Handbook, Chapter 10 Plant and Capital Equipment, paragraph 1.g, “Accounting for Repair, Maintenance, Alterations, and Betterments.”**

Integrated Facilities and Infrastructure Budget Data Sheet (IFI)	Project Number	Gross Building Area	FY PY Approp. (\$000)	FY CY Approp (\$000)	FY BY Budget (\$000)	FYBY+1 Budget (\$000)	FY BY+2 Budget (\$000)	FY BY+3 Budget (\$000)	FY BY+4 Budget (\$000)
SITE NAME:									
PROGRAM									
1.0 Capital Line Item (Include project number & identify Funding Program)									
1.1 New Construction (facilities and additions)									
1.2 All Other Projects (recap)		X							
		X							
		X							
Subtotal Line Item Projects	X								
2.0 General Plant Project (GPP) (Include project number & identify Funding Program)									
2.1 New Construction (facilities and additions)									
2.2 All Other Projects (recap)		X							
		X							
		X							
Subtotal GPP:	X								
3.0 Institutional General Plant Project (IGPP)									
Subtotal IGPP Projects	X								
4.0 Operating/Expense for Excess Elimination and Other									
4.1 Excess Elimination (demolition, sale, lease, transfer) Show area eliminated in Gross Area column	X	X							
4.1 Subtotal	X								
4.2 All Other (List direct O&E maintenance under 5.1)	X	X							
		X							
4.2 Subtotal	X								
Subtotal Operating/Expense Projects	X								
TOTAL Capital & Operating Investment:	X	X							
TOTAL Overhead Investments (IGPP)	X	X							

Integrated Facilities and Infrastructure Budget Data Sheet (IFI)	Project Number	Gross Building Area	FY 2003 Approp. (\$000)	FY 2004 Budget (\$000)	FY 2005 Target Budget (\$000)	FY 2006 Target Budget (\$000)	FY 2007 Target Budget (\$000)	FY 2008 Target Budget (\$000)	FY 2009 Target Budget (\$000)
SITE NAME: Ze National Laboratory									
PROGRAM Science (HEP landlord)									
1.0 Capital Line Item (Include project number & identify Funding Program)									
1.1 New Construction (facilities and additions)									
Framastan Detector Facility HEP	04-E-29	6,800		3.5	9.2				
Mobius Accelerator HEP	06-E-32	25,000				2.3	17.8	12.3	
1.2 All Other Projects (recap)									
Upgrade Underground Utilities HEP	05-E-21				6.3	2.1	4.9	2.3	6.2
Subtotal Line Item Projects		38,600		3.5	15.5	4.4	22.7	14.6	6.2
2.0 General Plant Project (GPP) (Include project number & identify Funding Program)									
2.1 New Construction (facilities and additions)									
New Support Office	G-10	15,000			4.2				
Bldg 11 Addition	G-33	2,000					3.3		
2.2 All Other Projects (recap)									
Rehab Bldg 22	G-12					4.6			
Rehab Bldg 30	G-29								4.2
Subtotal GPP:		17,000	0	0	4.2	4.6	3.3	0	4.2
3.0 Institutional General Plant Project (IGPP)									
Cafeteria	I-230	15,000			4.3				
Training Center	I-231	8,500				3.7			
Subtotal IGPP Projects		23,500	0	0	4.3	3.7	0	0	0
4.0 Operating/Expense for Excess Elimination and Other									
4.1 Excess Elimination (demolition, sale, lease, transfer) Show area eliminated in Gross Area column									
Demolish Bldg 222	X-123	35000	3.1	0.4					
Demolish various bldgs	X-124	6000			0.9				
Demolish Bldg 290 & 230	X-127	45000				1	0.2		
D&D bldg 430	X-130	12000						3.6	2.8
4.1 Subtotal for Elimination of Excess		98000	3.1	0.4	0.9	1	0.2	3.6	2.8
4.2 All Other (List O&E maintenance under 5.1)									
Site Plan development	OE-23		0.2	0.2	0.3	0.31	0.35	0.32	0.34
4.2 Subtotal for all other			0.2	0.2	0.3	0.31	0.3	0.32	0.34
Subtotal Operating/Expense Projects			3.3	0.6	1.2	1.31	0.5	3.92	3.14
TOTAL Capital & Operating Investments:			3.3	4.1	20.9	10.31	26.5	18.52	13.54
Total Overhead Investments (IGPP):			0	0	4.3	3.7	0	0	0

TAB B

SAMPLE FY 05 Facilities and Infrastructure Budget Crosscut

Integrated Facilities and Infrastructure Budget Data Sheet (IFI)	Project Number	FY 2003 Approp. (\$000)	FY 2004 Budget (\$000)	FY 2005 Target Budget (\$000)	FY 2006 Target Budget (\$000)	FY 2007 Target Budget (\$000)	FY 2008 Target Budget (\$000)	FY 2009 Target Budget (\$000)
SITE NAME: Ze National Laboratory								
PROGRAM Science (HEP landlord)								
7.0 Area of Excess Eliminated								
List of projects, by type of funding, with project number, and excess <u>AREA</u> eliminated by fiscal year accomplished.								
Line Item	06-E-32				1700			
GPP	G-33							
IGPP	I-230			600				
O&E	X-123		35000					
O&E	X-124			6,000				
O&E	X-127					45,000		
O&E	X-130							12000
Indirect O&E		200	450	270	1500	850	2700	220
Transfer by sale or lease, or transfer to an outside federal agency					2500			
Total Area to be Eliminated Each Year (Demolition, Sale or Transfer Year)		200	35,450	6,870	5200	45,850	2700	12220
Total Area to be Added by GPP, IGPP, and LI Construction (Occupancy Year)		0	0	15000	21800	10500	25000	0